

**AMEND BOARD REPORT 05-0323-PR12
APPROVE THE EXTENSION OF THE INSURANCE BROKERAGE AND ADMINISTRATIVE SERVICES
AGREEMENT WITH AON RISK SERVICES OF ILLINOIS AND THE EXTENSION OF THE
INSURANCE PLACEMENT FOR THE BOARD'S OWNER CONTROLLED INSURANCE PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the extension of the Insurance Brokerage and Administrative Services Agreement with Aon Risk Services of Illinois (Aon) to provide broker and run-off services for the Board's Owner Controlled

Insurance Program (OCIP), at a cost not to exceed \$165,000 for a 2-year term. Approve a final extension of the OCIP and the extension of the primary and excess liability insurance to ~~August 20, 2005~~ September 5, 2005 for the Little Village school project only. All other OCIP coverage ends on April 1, 2005 and Aon will provide services necessary to manage the Board's obligations and bring the program to conclusion. Approve the continued maintenance of the escrow accounts to provide run-off claims and administrative services to pay all OCIP claims incurred prior to ~~August 20, 2005~~ September 5, 2005, not to exceed \$3,400,000. Approve payment to AON for additional insurance audit premium due to AIG as

EXTENSION PERIOD FOR AON AGREEMENT AND INSURANCE PLACEMENT: The term of the AON agreement is being renewed for a 24 month period, commencing April 1, 2005 and ending April 1, 2007.

The primary and excess insurance policies will be extended to August 20, 2005 September 5, 2005 for

2005.

SCOPE OF SERVICES FOR AON: Aon will continue to provide: 1) all OCIP administrative functions

DELIVERABLES: Aon shall continue to provide (i) monthly enrollment and bid tracking reports, (ii) semi-annual stewardship reports, (iii) quarterly loss runs (iv) monitor claim activity, (v) negotiate the final insurance audits, (vi) successfully close out all remaining projects enrolled in the OCIP and (vii) broker the extension of the OCIP policies to 8/30/05 015/05

effective placement of OCIP underlying insurance policies.

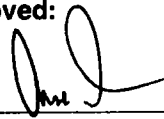
COMPENSATION: Aon shall be paid an administrative fee of \$405,000 for broker and administrative

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:




Arne Duncan
Chief Executive Officer

Within Association:


John Maiorca
Chief Financial Officer

Approved as to legal form: 


Patrick J. Roeks
General Counsel